

Senate File 2356 - Reprinted

SENATE FILE 2356
BY COMMITTEE ON HUMAN
RESOURCES

(SUCCESSOR TO SF 2092)

(As Amended and Passed by the Senate March 1, 2010)

A BILL FOR

1 An Act relating to health reform in Iowa by providing for
2 options for health care coverage including a premium
3 assistance program study and IowaCare program changes and
4 creating an Iowa insurance information exchange.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

DIVISION I

PREMIUM ASSISTANCE PROGRAM AND IOWACARE PROGRAM CHANGES

Section 1. PREMIUM ASSISTANCE PROGRAM — STUDY

— REPORT. The legislative council is requested to establish an interim study committee to evaluate options for establishing a premium assistance program to provide health care coverage to individuals nineteen through sixty-four years of age who have family incomes above two hundred percent but not in excess of three hundred percent of the federal poverty level. The committee shall be comprised of members representing the interests of Iowa insurers, independent insurance agents, large and small employers, health care providers, and consumers. In addition, the commissioner of insurance, director of human services, and director of public health, or a designee of each, shall act as ex officio, nonvoting members of the committee. The committee shall submit a report, including its findings and recommendations, to the general assembly by December 15, 2010.

Sec. 2. Section 249J.7, Code 2009, is amended to read as follows:

249J.7 Expansion population provider network.

1. a. Expansion population members shall only be eligible to receive expansion population services through a provider included in the expansion population provider network. Except as otherwise provided in this chapter, the expansion population provider network shall be limited to a publicly owned acute care teaching hospital located in a county with a population over three hundred fifty thousand, the university of Iowa hospitals and clinics, ~~and the state hospitals for persons with mental illness designated pursuant to section 226.1 with the exception of the programs at such state hospitals for persons with mental illness that provide substance abuse treatment, serve gero-psychiatric patients, or treat sexually violent predators~~ and a regional provider network utilizing the federally qualified health centers or federally qualified health center look-alikes in the state, to provide primary care

1 to members.

2 b. (1) The department shall develop a plan to phase-in
3 the regional provider network by determining the most highly
4 underserved areas on a statewide and regional basis, and
5 targeting these areas for prioritization in implementing the
6 regional provider network.

7 (2) Payment shall only be made to designated participating
8 primary care providers for eligible primary care services
9 provided to a member.

10 (3) The department shall adopt rules pursuant to chapter
11 17A, in collaboration with the medical home advisory council
12 created pursuant to section 135.159, specifying requirements
13 for medical homes including certification, with which regional
14 provider network participating providers shall comply, as
15 appropriate.

16 (4) The department may also designate other private
17 providers and hospitals to participate in the regional provider
18 network, to provide primary and specialty care, subject to the
19 availability of funds.

20 (5) Notwithstanding any provision to the contrary, the
21 department shall develop a methodology to reimburse regional
22 provider network participating providers designated under this
23 subsection.

24 c. Tertiary care shall be provided to eligible expansion
25 population members residing in any county in the state at the
26 university of Iowa hospitals and clinics.

27 d. Until such time as the publicly owned acute care
28 teaching hospital located in a county with a population over
29 three hundred fifty thousand notifies the department that
30 such hospital has reached service capacity or has exceeded
31 the statutorily authorized amount of funding as determined
32 and appropriated on an annual basis, the hospital and the
33 university of Iowa hospitals and clinics shall remain the
34 only expansion population providers for the residents of such
35 county.

1 2. Expansion population services provided to expansion
2 population members by ~~providers included in the expansion~~
3 ~~population provider network~~ the publicly owned acute care
4 teaching hospital located in a county with a population
5 over three hundred fifty thousand and the university of Iowa
6 hospitals and clinics shall be payable at the full benefit
7 recipient rates.

8 3. Providers included in the expansion population provider
9 network shall submit clean claims within twenty days of the
10 date of provision of an expansion population service to an
11 expansion population member.

12 4. Unless otherwise prohibited by law, a provider under
13 the expansion population provider network may deny care to
14 an individual who refuses to apply for coverage under the
15 expansion population.

16 5. Notwithstanding the provision of section 347.16,
17 subsection 2, requiring the provision of free care and
18 treatment to the persons described in that subsection, the
19 publicly owned acute care teaching hospital described in
20 subsection 1 may require any sick or injured person seeking
21 care or treatment at that hospital to be subject to financial
22 participation, including but not limited to copayments
23 or premiums, and may deny nonemergent care or treatment
24 to any person who refuses to be subject to such financial
25 participation.

26 6. The department shall utilize certified public
27 expenditures at the university of Iowa hospitals and clinics
28 to maximize the availability of state funding to provide
29 necessary access to both local primary and specialty physician
30 care to expansion population members. The resulting savings
31 to the state shall be utilized to reimburse physician services
32 provided to expansion population members at the university of
33 Iowa college of medicine, to reimburse providers designated
34 to participate in the regional provider network for services
35 provided to expansion population members, and for deposit in

1 the nonparticipating provider reimbursement fund created in
2 section 249J.24A to be used in accordance with the purposes and
3 requirements of the fund.

4 7. The department shall adopt rules to establish clinical
5 transfer protocols to be used by providers included in the
6 expansion population provider network.

7 Sec. 3. Section 249J.24A, Code Supplement 2009, is amended
8 by adding the following new subsection:

9 NEW SUBSECTION. 5. Notwithstanding any provision to the
10 contrary, moneys in the fund may also be used in accordance
11 with the methodology developed by the department for
12 reimbursement of nonparticipating providers in the IowaCare
13 plus program's regional provider network established pursuant
14 to section 217A.6. However, prioritization in allocation of
15 moneys within the fund shall be to provide reimbursement to
16 nonparticipating providers as defined in this section.

17 Sec. 4. Section 263.18, subsection 4, Code 2009, is amended
18 to read as follows:

19 4. The physicians and surgeons on the staff of the
20 university of Iowa hospitals and clinics who care for patients
21 provided for in this section may charge for the medical
22 services provided under such rules, regulations, and plans
23 approved by the state board of regents. However, a physician
24 or surgeon who provides treatment or care for an expansion
25 population member pursuant to chapter 249J shall ~~not charge~~
26 ~~or only~~ receive any compensation for the treatment or care
27 ~~except the salary or compensation fixed by the state board~~
28 ~~of regents to be paid from the hospital fund~~ provided in
29 accordance with section 249J.7.

30 Sec. 5. REVIEW OF MEDICAL TRANSPORTATION COSTS FOR
31 IOWACARE. The department of human services shall review the
32 costs of transportation to and from a provider included in
33 the expansion population provider network under the IowaCare
34 program. The department shall report the results of the review
35 to the general assembly by December 15, 2010.

1 otherwise requires:

2 *a.* "Board" means the advisory board of the Iowa insurance
3 information exchange.

4 *b.* "Carrier" means an insurer providing accident and
5 sickness insurance under chapter 509, 514, or 514A and
6 includes a health maintenance organization established under
7 chapter 514B if payments received by the health maintenance
8 organization are considered premiums pursuant to section
9 514B.31 and are taxed under chapter 432. "Carrier" also
10 includes a corporation which becomes a mutual insurer pursuant
11 to section 514.23 and any other person as defined in section
12 4.1, who is or may become liable for the tax imposed by chapter
13 432.

14 *c.* "Commissioner" means the commissioner of insurance.

15 *d.* "Creditable coverage" means the same as defined in
16 section 513B.2.

17 *e.* "Exchange" means the Iowa insurance information exchange.

18 *f.* "Group health plan" means the same as defined in section
19 513B.2.

20 *g.* "Health care services" means services, the coverage of
21 which is authorized under chapter 509, 514, 514A, or 514B and
22 includes services for the purposes of preventing, alleviating,
23 curing, or healing human illness, injury, or physical
24 disability.

25 *h.* "Health insurance" means accident and sickness insurance
26 authorized by chapter 509, 514, or 514A.

27 *i.* (1) "Health insurance coverage" means health insurance
28 coverage offered to individuals.

29 (2) "Health insurance coverage" does not include any of the
30 following:

31 (a) Coverage for accident-only or disability income
32 insurance.

33 (b) Coverage issued as a supplement to liability insurance.

34 (c) Liability insurance, including general liability
35 insurance and automobile liability insurance.

1 (d) Workers' compensation or similar insurance.

2 (e) Automobile medical-payment insurance.

3 (f) Credit-only insurance.

4 (g) Coverage for on-site medical clinic care.

5 (h) Other similar insurance coverage, specified in
6 federal regulations, under which benefits for medical care
7 are secondary or incidental to other insurance coverage or
8 benefits.

9 (3) "*Health insurance coverage*" does not include benefits
10 provided under a separate policy as follows:

11 (a) Limited-scope dental or vision benefits.

12 (b) Benefits for long-term care, nursing home care, home
13 health care, or community-based care.

14 (c) Any other similar limited benefits as provided by rule
15 of the commissioner.

16 (4) "*Health insurance coverage*" does not include benefits
17 offered as independent noncoordinated benefits as follows:

18 (a) Coverage only for a specified disease or illness.

19 (b) A hospital indemnity or other fixed indemnity
20 insurance.

21 (5) "*Health insurance coverage*" does not include Medicare
22 supplemental health insurance as defined under section
23 1882(g)(1) of the federal Social Security Act, coverage
24 supplemental to the coverage provided under 10 U.S.C. ch. 55
25 and similar supplemental coverage provided to coverage under
26 group health insurance coverage.

27 *j.* "*Medical assistance program*" means the federal-state
28 assistance program established under Tit. XIX of the federal
29 Social Security Act and chapter 249A.

30 *k.* "*Medicare*" means the federal government health insurance
31 program established under Tit. XVIII of the federal Social
32 Security Act.

33 *l.* "*Organized delivery system*" means an organized delivery
34 system as licensed by the director of public health.

35 *m.* "*Iowa insurance information exchange established*

1 — *advisory board.*

2 *a.* An Iowa insurance information exchange is established in
3 the insurance division of the department of commerce under the
4 purview of the commissioner of insurance.

5 *b.* The exchange shall exercise its powers in consultation
6 with the advisory board established under this subsection.

7 *c.* The advisory board of the exchange shall consist of the
8 following members:

9 (1) The following persons who are voting members of the
10 board appointed by the governor and subject to confirmation by
11 the senate:

12 (a) A health care academic with a background in economics,
13 law, or public health.

14 (b) An executive of a carrier.

15 (c) A health benefits manager of a company.

16 (d) A health care analyst representing a public or private
17 employee bargaining unit.

18 (e) A health care analyst representing an organized
19 consumer group.

20 (f) A health care provider.

21 (g) An insurance agent.

22 (2) The following persons who are *ex officio*, nonvoting
23 members of the board:

24 (a) The commissioner of insurance, or a designee.

25 (b) The Iowa Medicaid director, or a designee.

26 (c) Four members of the general assembly, one appointed
27 by the speaker of the house of representatives, one appointed
28 by the minority leader of the house of representatives,
29 one appointed by the majority leader of the senate, and one
30 appointed by the minority leader of the senate.

31 *d.* Each member of the board appointed by the governor shall
32 be a resident of this state and the composition of voting
33 members of the board shall be in compliance with sections
34 69.16, 69.16A, and 69.16C.

35 *e.* The voting members of the board shall be appointed for

1 terms of six years beginning and ending as provided in section
2 69.19. A member of the board is eligible for reappointment.
3 The governor shall fill a vacancy for the remainder of the
4 unexpired term. A member of the board may be removed by the
5 governor for misfeasance, malfeasance, or willful neglect of
6 duty or other cause after notice and a public hearing unless
7 the notice and hearing are waived by the member in writing.

8 *f.* The voting members of the board shall annually elect one
9 of the members as chairperson and one as vice chairperson.

10 *g.* A majority of the voting members of the board constitutes
11 a quorum. The affirmative vote of a majority of the voting
12 members is necessary for any action taken by the board.

13 The majority shall not include a member who has a conflict
14 of interest and a statement by a member of a conflict of
15 interest is conclusive for this purpose. A vacancy in the
16 voting membership of the board does not impair the right of a
17 quorum to exercise the rights and perform the duties of the
18 board. An action taken by the board under this section may be
19 authorized by resolution at a regular or special meeting and
20 each resolution may take effect immediately and need not be
21 published or posted. Meetings of the board shall be held at
22 the call of the chairperson or at the request of a majority of
23 the voting members.

24 *h.* Members of the board may be reimbursed from the moneys
25 of the exchange for expenses incurred by them as members, but
26 shall not be otherwise compensated by the exchange for their
27 services.

28 *i.* The members of the board are subject to and are officials
29 within the meaning of chapter 68B.

30 *j.* The board shall consult with and provide recommendations
31 to assist the commissioner in carrying out the powers and
32 duties of the exchange set forth in subsection 5.

33 *k.* The commissioner shall provide administrative and
34 technical support to the board in carrying out its duties under
35 this section.

1 4. *Plan of operation.*

2 a. The commissioner, in consultation with the board, shall
3 establish a plan of operation for the exchange that assures the
4 fair, reasonable, and equitable administration of the exchange,
5 within ninety days after the appointment of the board. In
6 addition to other requirements, the plan of operation shall
7 provide for all of the following:

8 (1) The handling and accounting of assets and moneys of the
9 exchange.

10 (2) The amount and method of reimbursing expenses of the
11 members of the board.

12 (3) Regular times and places for meetings of the board.

13 (4) Records to be kept of all financial transactions, and an
14 annual fiscal report of the costs of administering the exchange
15 to be delivered to the general assembly by December 15 of each
16 year.

17 (5) The periodic advertising of the general availability of
18 health coverage information and assistance from the exchange.

19 (6) Additional provisions necessary or proper for the
20 execution of the powers and duties of the exchange.

21 b. The exchange has the general powers and authority
22 enumerated by this subsection and pursuant to subsection 5 and
23 executed in accordance with the plan of operation established
24 by the commissioner under paragraph "a".

25 c. The exchange shall develop and implement the plan of
26 operation and corresponding timeline detailing action steps
27 toward implementing this section, by rules adopted pursuant to
28 chapter 17A as provided in subsection 6.

29 5. *Powers and duties of exchange.*

30 a. The exchange shall develop a system that provides a
31 portal where uninsured Iowans can receive assistance in how to
32 obtain public or private health care coverage. The department
33 of human services shall determine the eligibility of uninsured
34 Iowans for public programs and provide assistance with
35 enrollment in the appropriate public programs. The exchange

1 shall provide assistance with how to obtain private health
2 insurance coverage that meets certain standards of quality and
3 affordability to uninsured Iowans who are not eligible for or
4 do not wish to enroll in public programs. The exchange, in
5 consultation with the department of human services and the
6 board, shall develop a methodology to create a seamless system
7 that allows individuals to move between public and private
8 health care coverage, including increasing opportunities for
9 obtaining creditable coverage.

10 *b.* The exchange shall establish three categories of benefits
11 including basic or catastrophic benefits, an intermediate level
12 of benefits, and comprehensive benefits coverage, that meet
13 affordability limits established pursuant to 2009 Iowa Acts ch.
14 118, section 1, subsection 4, paragraph "c".

15 *c.* (1) The exchange shall establish an information
16 clearinghouse to provide information to all Iowans about all
17 public and private health care coverage that is available in
18 the state including comparisons of benefits, premiums, and
19 out-of-pocket costs.

20 (2) The exchange may establish standards to provide
21 uniform and consistent information about the health care
22 coverage options offered by each carrier and public program
23 that includes but is not limited to what benefits are covered
24 and not covered, the amount of coverage for each service,
25 including copays and deductibles, and any prior authorization
26 requirements for coverage.

27 (3) The exchange may require each carrier, organized
28 delivery system, and public program to categorize and describe
29 the category of benefits to which each health care coverage
30 option offered by a carrier, organized delivery system, or
31 public program belongs as set forth in paragraph "b".

32 (4) The exchange shall provide ongoing information to
33 taxpayers about the costs of public health care programs to the
34 state, including the percentage and source of state and federal
35 funding for the programs.

1 (5) The exchange may provide counseling to assist Iowans
2 with making an informed choice when selecting health care
3 coverage.

4 *d.* The exchange shall encourage or develop the use of common
5 definitions for quality of care and pricing of health care
6 services and develop and implement methodologies that provide
7 quality and cost data on health care services and health care
8 coverage offered in the state that is meaningful to consumers,
9 patients, and purchasers.

10 *e.* The commissioner may hire independent consultants, as
11 deemed necessary, to assist in carrying out the powers and
12 duties of the exchange.

13 *f.* The exchange shall collaborate with, including but not
14 limited to the board, the department of human services, the
15 department of public health, health care providers, members
16 of an organized consumer-purchaser group, members of the Iowa
17 collaborative safety net provider network, and carriers to
18 carry out the duties of the exchange including dissemination
19 of information about the services offered by the exchange to
20 the public.

21 6. *Rules.* The commissioner shall adopt rules pursuant to
22 chapter 17A to implement the provisions of this section.

23 7. *Iowa insurance information exchange fund created.*

24 *a.* An Iowa insurance information exchange fund is created in
25 the state treasury as a separate fund under the control of the
26 exchange. All moneys appropriated or transferred to the fund
27 shall be credited to the fund. All moneys deposited or paid
28 into the fund shall only be appropriated to the exchange to be
29 used for the purposes set forth in this section.

30 *b.* Notwithstanding section 8.33, any balance in the fund
31 on June 30 of each fiscal year shall not revert to the general
32 fund of the state, but shall be available for purposes of
33 this section in subsequent fiscal years. Notwithstanding
34 section 12C.7, interest earnings on moneys in the fund shall
35 be credited to the fund.

1 Sec. 9. INITIAL MEMBERS OF ADVISORY BOARD OF THE IOWA
2 INSURANCE INFORMATION EXCHANGE. The initial voting members of
3 the advisory board of the Iowa insurance information exchange
4 shall be appointed within thirty days after the effective date
5 of this division of this Act.